Scottish Beer & Pub Association response to Scottish Government's Minimum Unit Pricing consultation.

Respondent Information Form

1. **What is your name?**

Paul Togneri

2. **What is your email address?**

Your email address will never be published. Your email address will be used if you give permission below to be contacted again in future about this consultation.

ptogneri@beerandpub.com

3. **Are you responding as an individual or an organisation?**

Individual ☐

Organisation ☒

4. **What is your organisation?**

If responding on behalf of an organisation, please enter the organisation's name here.

Scottish Beer & Pub Association

5. **The Scottish Government would like your permission to publish your consultation response. Please indicate your publishing preference:**

Publish response with name ☒

Publish response only (without name) ☐

Do not publish response ☐

Information for organisations only:

The option 'Publish response only (without name)' refers only to your name, not your organisation's name. If this option is selected, the organisation name will still be published.

If you choose the option 'Do not publish response', your organisation name may still be listed as having responded to the consultation in, for example, the analysis report.

6. **Do you consent to Scottish Government contacting you again in relation to this consultation exercise?**

Yes ☒

No ☐

7. **I confirm that I have read the privacy policy and consent to the data I provide being used as set out in the policy.**

You can view the privacy policy here: Privacy - gov.scot (www.gov.scot)

I consent ☒

Q1. Do you think Minimum Unit Pricing (MUP) should continue?

Yes

No [X]

Q2. If MUP continues, do you agree with the proposed Minimum Unit Price of 65 pence?

Yes

No [X]

Q3. We invite comments on:

- **the Scottish Ministers' proposal to continue MUP, and**
- **the proposed Minimum Unit Price of 65 pence.**

Introduction

The Scottish Beer & Pub Association (SBPA) represent brewers and pub companies operating in Scotland. SBPA members account for over 90% of beer sales in Scotland and operate around 1,000 of the nation's beloved pubs. This includes Scotland's most iconic brewers such as Tennents, Belhaven, Innis & Gunn, and Brewdog as well as many more large and small brewers and pub operators, many who operate across the wider UK and globally.

The SBPA has previously been neutral on the subject of Minimum Unit Pricing with mixed views among members and this remains the case. Our answers to Q1 and Q2 above reflect our analysis that the evidence-base presented in the evaluation and the future policy landscape does not adequately justify the policy and policy direction.

While we understand the desire and are supportive of reducing the availability of very low cost, high strength alcohol products, most view the best way to do this is through the tax system and a ban on below-cost selling of alcohol rather than through artificial price increases that impact all consumers and producers.

The sector also supports the Government in its goal to reduce alcohol harms, and financial support many projects in this area – both historically and concurrently. However, we firmly believe that the best way to tackle this is through targeted interventions, as opposed to a whole population approach which penalises the majority of consumers who stay within the recommended guidelines for alcohol consumption.

We are also concerned by the apparent shift in rationale for MUP, away from targeted intervention around low-cost, high strength alcohol towards targeting all alcohol, including the majority consumers who stay within consumption guidelines. This is apparent in the rationale from comment from Scottish Ministers previously:

> *Given the clear and proven link between consumption and harm, minimum pricing is the most effective and efficient way to tackle the cheap, high-strength alcohol that causes so much damage to so many families*.
> Shona Robison MSP (2017)

It is also the rationale pushed by anti-alcohol groups, such as Alcohol Focus Scotland (AFS) who called for its introduction:

> *'Industrial', high strength 'white' ciders are the scourge of doctors, alcohol treatment services and homeless charities. Some brands are sold in three litre plastic bottles, containing 10 days' worth of alcohol at guideline levels for less than £4. The market for white cider is created by the UK duty system. Strong white ciders attract the lowest duty of any product at just 5p per unit*.
> Alison Douglas, AFS (2016)

This is also highlighted in academic research on the policy:

> *MUP is a minimum retail price per unit of alcohol. That approach targets high-risk alcohol users.*
> Katikireddi, Beeston, Millard et al. (2019)

However, in recent evidence given to Scottish parliament, we can see a shifting of the goalposts which acknowledge that MUP may not be the best strategy for targeting specific at-risk drinkers:

> *There is a concept called the prevention paradox, whereby those who are particularly affected by [MUP] may not benefit from it the most, while we expect those in the middle to benefit substantially. There is therefore a need to have targeted measures that are focused on those at the very highest risk, those people being dependent drinkers and those who are affected by alcohol dependence.*
> Tara Shivaji, PHS *(2023)*

> *The primary prevention measures—as we would call them—including minimum unit pricing, are often very useful for targeting the harm that is associated with alcohol in the wider population, who are not at extremely high risk.*
> Tara Shivaji, PHS (2023*)*

In addition, Scottish Government representatives have pointed to MUP as a measure targeted at 'early prevention', which is a markedly different approach to targeting harmful drinkers:

> *We are also doing a whole lot more with regard to wider investment—for example, on minimum unit pricing or other things in the alcohol space that are about trying to support very early prevention.*
> Richard McCallum, Scottish Government, (2023)

Ultimately, we ask that the Scottish Government thoroughly consider if an increase in MUP would cause population-wide distortions which run counter to the stated aims of the government's health and social care policy; mainly noting that there is significant potential that an increased MUP, combined with other policies like DRS, would cause a move towards consumption of higher-strength, higher-volume products and increased strain on household budgets, particularly in low-income communities.

Evidence on MUP shows little impact on health objectives

Public Health Scotland's evaluation of evidence on MUP looked at only eight reports regarding the stated health objectives of MUP. Of these, only one study (Wyper et al, 2023) found any statistically significant impact on health outcomes, although it is not possible to associate causality. The rest of the studies were not able to find any statistically significant outcomes in either a positive or negative direction. This includes studies which found no impact on hospital discharges or clinical presentation of patients with alcohol-related liver disease (Chaudhary et al, 2022), no decreases in alcohol dependence or health status of dependent drinkers (Holmes et al, 2022), no change in alcohol-related ambulance callouts (Manca et al, 2022a), no evidence that MUP led to changes in prescriptions for alcohol dependence (Manca et al, 2023), and no evidence in differences in alcohol-related emergency attendance and no beneficial impact of MUP on health harms within emergency departments (So et al, 2021).

The one paper (Wyper et al, 2023) that did find any statistically significant connection looked at 30 clinical outcomes which can be wholly attributed to alcohol, of which 17 were categorised as chronic conditions and 13 were categorised as acute conditions. They report their headline findings as a statistically significant 13.4% reduction in all deaths wholly attributed to alcohol.

However, the only reductions were seen in chronic conditions, with acute conditions increasing at both significant and non-significant levels. The study also claims to have found a non-significant reduction in hospital admissions of 4.1% but any reference to this should be discarded as it is not statistically significant and cannot be used as evidence of MUP reducing hospital admission.

Given, then, that the only statistical improvements were seen in chronic conditions, one must investigate typical patient outcomes for alcohol-induced chronic conditions. Several studies point to *complete prolonged abstinence* from alcohol as a method to halt or delay progression of several forms of alcoholic liver disease. It is even possible that for early onset liver disease, damage can be reversed with abstinence.

As prolonged abstinence is considered one of the only clinical treatments for this class of diseases which has a chance of improving patient outcomes and reducing deaths, to indicate causality between MUP and improved health outcomes for this class of disease, the study authors would need to show evidence that the implementation of MUP has led to *complete* and *prolonged* abstinence. As Wyper et al. only investigated data in a two-and-a-half-year period post-MUP implementation, this is unlikely to reflect prolonged habitual changes required to improve patient outcomes with respect to chronic diseases. Indeed, research shows that in the case of alcoholic cirrhosis, benefits from complete abstinence from alcohol take at minimum 1.5 years to manifest[1]; a significant portion of the study period in Wyper et al. An evidence synthesis by Holmes et al (2012) also suggests that for liver cirrhosis the horizon of improvement is long; while some minor effects can be seen in the short term, the minimum period for full impact of consumption changes is 1.5 years with some studies only finding 80% impact by 10 years.

In addition, given there is no evidence that MUP led to any reduction in dependency[2], which would indicate that the exact cohort liable to be suffering from chronic alcohol related diseases did not reduce their consumption, never mind shift to complete abstinence. Indeed, the final MUP evidence report notes that "focus groups with young binge drinkers and older heavy, at-risk drinkers suggested that the vast majority reported no impact on drinking patterns or consumption"[3]. Without this supporting evidence, it would be very difficult to say definitively that the causal relationship between MUP and these stated health outcomes exists. It is incredibly important to note that this study is a purely observational study and observational studies can only be used to establish associations between variables and should not be used to show causality. The Public Health Scotland report also states that they "cannot completely exclude alcohol treatment as an alternative explanation for the observed impact on alcohol-attributable deaths and admissions" confirming the obscurity surrounding causality.

Therefore, Public Health Scotland is pinning the entire success of MUP on a single study which is predicated on an unrealistic connection between MUP and alcohol cessation and cannot show any causality, while disregarding the many other studies which do not find any evidence of MUP's impact on health outcomes.

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[1] Effect of abstinence from alcohol on survival of patients with alcoholic cirrhosis: A systematic review and meta-analysis, Xie et al (2014) https://pubmed.ncbi.nlm.nih.gov/23607793/

[2] Evaluating the impact of Minimum Unit Pricing in Scotland on people who are drinking at harmful levels, Holmes et al (2022), https://www.publichealthscotland.scot/publications/evaluating-the-impact-of-minimum-unit-pricing-in-scotland-on-people-who-are-drinking-at-harmful-levels

3 Intended and unintended consequences of the implementation of minimum unit pricing of alcohol in Scotland: a natural experiment, So et al, (2021) https://pubmed.ncbi.nlm.nih.gov/34699154/

Even beyond the health outcomes, research evaluated looked at social and behavioural outcomes. This included the impact of MUP on alcohol-related crime or anti-social behaviour and consumption habits drinkers. For example, one study found that there were no statistically significant changes in the rate of all crime, alcohol-related crime, non-alcohol related crime, public-nuisance incidents, or drug-related crimes.[4] Another study found that stakeholders predominately reported no observed impacts of MUP on crime and social issues.[5] Finally, several studies found that MUP had no impact on underage drinkers as they either did not notice price increases or used social-media networks to find the cheapest alcohol possible, including alcohol being sold illegally below the MUP[6].

Impact on heaviest drinkers

As thoroughly evidenced in the evaluation of MUP, the price of alcohol did rise, mostly driven by price rises in beer and cider. This is due to the high levels of compliance within the alcohol industry, as there was no effort to evade the scheme. However, these price rises will – by design – impact consumers in a time when household budgets are already stretched, and inflation is running high. Therefore, it is important to examine exactly what pressures additional price increases have had – and will continue to have – on consumers, especially those in the most deprived households.

There is evidence that MUP increased the expenditure on alcohol among the heaviest drinking households, and that those in low-income households experienced sharper increases in expenditure than high-income households as consumption increased:

> *There was an interaction between purchase group and income group, such that moving from the smallest to the largest purchasing households, the increase in expenditure on alcohol following MUP was steeper for low-income than for high-income groups by 20.7 p per purchase day.*[7]

It is important to note that the study above looks at absolute expenditure on alcohol, not relative expenditure. In fact, it notes that high-income households spend the most on alcohol, but one would expect that to be true because they have higher levels of disposable income available. Studies which examine impacts on expenditure should investigate relative levels of expenditure to see true impact on household budgets, especially for low-income households.

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[4] Evaluating the impact of alcohol minimum unit pricing on public safety and public nuisance, Krzemieniewska-Nandwani et al (2021), http://www.publichealthscotland.scot/publications/evaluation-of-the-impact-of-alcohol-minimum-unit-pricing-mup-on-crime-and-disorder-public-safety-and-public-nuisance/

[5] Intended and unintended consequences of the implementation of minimum unit pricing of alcohol in Scotland: a natural experiment, So et al (2021), https://pubmed.ncbi.nlm.nih.gov/34699154/

6 Minimum Unit Pricing (MUP) for alcohol evaluation: Children and young people: Own drinking and related behaviour, Iconic Consulting (2019), https://www.healthscotland.scot/media/2947/iconic-mup-cyp-own-drinking-and-related-behaviour-english-jan2020.pdf

[7] Impact of minimum unit pricing on alcohol purchases in Scotland and Wales: controlled interrupted time series analyses, Anderson et al (2021) https://arc-nenc.nihr.ac.uk/wp-content/uploads/2021/05/20TLPH3830_Anderson.pdf

	Current	MUP 65p	Change
Less than £27,999	85.3%	81.1%	-4.2%
£28,000 - £44,999	85.1%	81.9%	-3.2%
£45,000 - £69,999	85.9%	82.4%	-3.5%
£70,000 or more	86.6%	84.9%	-1.7%

➢ Those in lower income households feel like this is another financial burden they must bear the weight of, a perceived disproportionate disadvantage to their already tight budgets.

Figure 1: Category Choices Beer/Cider – Household Income, *Kantar (2023)*

It is also important to consider the impact that inflation has on household budgets, and the role in which prices of consumer goods has on increasing these inflationary pressures.

As noted by the then-Minister for Public Health and Women's Health Maree Todd MSP in 2022, the question of affordability is more important than price when considering alcohol purchasing and level of MUP.

In a session of the Health, Social Care and Sport Committee, she said the following regarding uprating MUP[8]:

> *We also have the cost of living crisis. We are keen that the minimum unit price should reflect affordability rather than simply cost or price, and the World Health Organization is clear that that should happen. Therefore, the fact that people's household costs have increased substantially will have an impact on how we review the minimum unit price…*
>
> *It is attractive for us to consider some sort of automatic uplift, but I am not convinced. I talked about the challenge with linking it to inflation, which would not capture the issue of affordability. Inflation is going up, but so is the cost of living, so people have a lot less money in their pockets to spend on alcohol. At this time, we are spending a great deal more on energy and on the highest taxes since the 1950s. We need to look at affordability.*

Former Minister Todd appears to be suggesting that, as inflation bites and household budgets are strained, there is no need to increase MUP as people are less able to afford alcohol – and therefore reducing consumption naturally - even without an uplift. This would remain true as the cost-of-living crisis has only

[8] https://www.parliament.scot/chamber-and-committees/official-report/search-what-was-said-in-parliament/HSCS-03-05-2022?meeting=13726&iob=124537#orscontributions_M5669E393P730C2398866

increased in the latter half of 2022 and through 2023 and with alcohol prices rising irrespective of MUP. With concerns about market distortion raised by the Scottish Government, we would also suggest that further inflating the cost of alcoholic products would only create further inflationary distortions to the economy as a whole.

In addition to the impacts on the most vulnerable consumers and the majority of people who drink within the recommended weekly guidelines, there is conflicting evidence surrounding the impact of price changes on reducing consumption for the heaviest of drinkers – one of the stated aims of MUP – as noted in this Public Health Scotland report:

> *There is, however, debate in the wider scientific literature regarding the impact of more general alcohol price changes on heavier drinkers. Systematic reviews find that heavy drinkers do reduce their drinking in response to price increases, but this reduction is smaller than seen for lighter drinkers. But the underlying primary studies show mixed results, with different studies finding larger, smaller and non-significant changes among heavier drinkers when compared to lighter drinkers. These studies also identify significant challenges or limitations in the data and methods used when investigating this question.*[9]

In addition, some researchers have raised concerns about the effectiveness of MUP at achieving this goal:

> *When the Minister for Public Health, Sport and Wellbeing introduced the 2018 alcohol policy framework, he emphasised that the implementation of the MUP was strongly motivated by an interest in decreasing health inequalities through a reduction in alcohol consumption among the heaviest and most vulnerable drinkers. Our results indicate that this goal may not be fully realised: first, we found that women, who are less heavy drinkers in our data and in almost all surveys worldwide to date, reduced their consumption more than men; second, the 5% of heaviest drinking men had an increase in consumption associated with MUP; and, third, younger men and men living in more deprived areas had no decrease in consumption associated with MUP.*[10]

Even studies which did find some evidence of reduced consumption amongst heaviest drinkers raised concerns about unintended consequences:

> *Minimum unit pricing for alcohol in Scotland has led to reduced consumption, including among heavier drinkers. However, there is uncertainty regarding its impact on those at greatest risk and some limited*

[9] Evaluating the impact of Minimum Unit Pricing in Scotland on people who are drinking at harmful levels, Holmes, J., (2022) https://www.publichealthscotland.scot/media/13486/evaluating-the-impact-of-minimum-unit-pricing-in-scotland-on-people-who-are-drinking-at-harmful-levels-report.pdf

[10] Differential impact of minimum unit pricing on alcohol consumption between Scottish men and women: controlled interrupted time series analysis, Rehm et al (2022), https://bmjopen.bmj.com/content/bmjopen/12/7/e054161.full.pdf

evidence of negative outcomes, specifically financial strain, among people with alcohol dependence.[11]

Consumer research can also lead us to conclusions that more frequent drinkers are less responsive to price changes and that those on lower incomes are disproportionately affected by MUP. Consumer research from Kantar looking at the impact of MUP on 2,000 Scottish consumers who had recently purchased alcohol found that higher frequency drinkers – those who drink more than 3-4 times a week – did not react to price changes as responsively as all drinkers. Figure 2 below highlights that as MUP rises, the consumption rates of frequent drinkers remain flat. When looking in detail at beer and cider drinkers, one can see that in comparison to beer and cider drinkers of all frequency, as noted by the red dotted line, the solid green line of higher frequency drinkers remains flatter, with a 7.6% difference between the groups even with an exaggerated, hypothetical MUP.

Figure 2: Category Choices (total) – by drinking frequency: more often than 3-4 times a week, *Kantar (2023)*

In addition, higher frequency drinkers, denoted in Figure 3 by the red line, are much less likely to switch away from drinking alcohol, even while all the other categories of drinkers group together and experience similar impacts. Highest frequency drinkers are significantly less likely to shift away from alcoholic drinks even with an exaggerated, hypothetical MUP.

[11] Is minimum unit pricing for alcohol having the intended effects on alcohol consumption in Scotland?, Holmes, J., (2023) https://onlinelibrary.wiley.com/doi/10.1111/add.16185

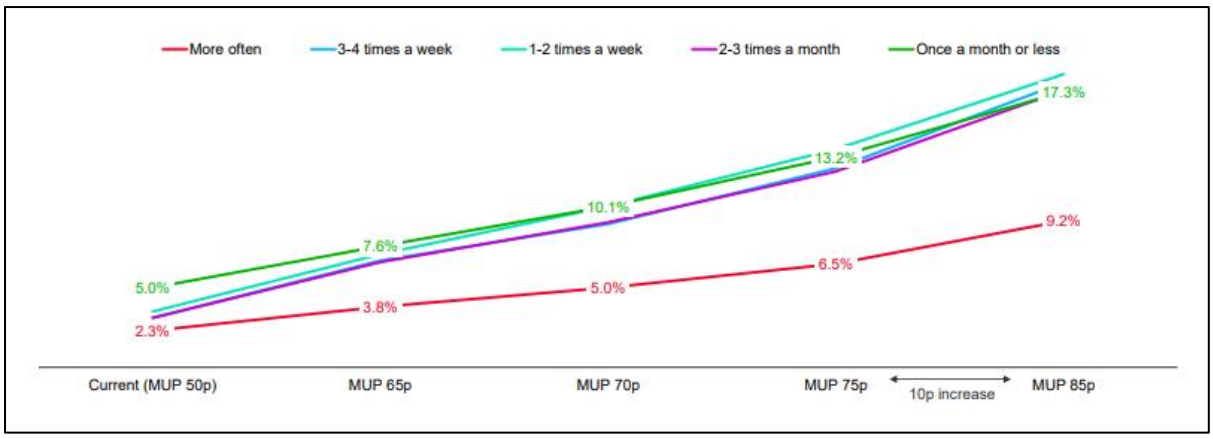

Figure 3: Drinking frequency (total) – selected 'none' for purchase, *Kantar (2023)*

Finally, higher frequency consumers continue to purchase more units than other groups, regardless of level of MUP. Figure 4 shows that MUP is more effective at influencing more infrequent drinkers than problem drinkers; a reduction of 2.2 units for those who only drink once a month versus a reduction of 1.9 units for those that drink more often than 3-4 times a week when subject to an exaggerated, hypothetical MUP. Across their net consumption, this means that problem drinkers are reducing fewer units from a higher base than other drinkers.

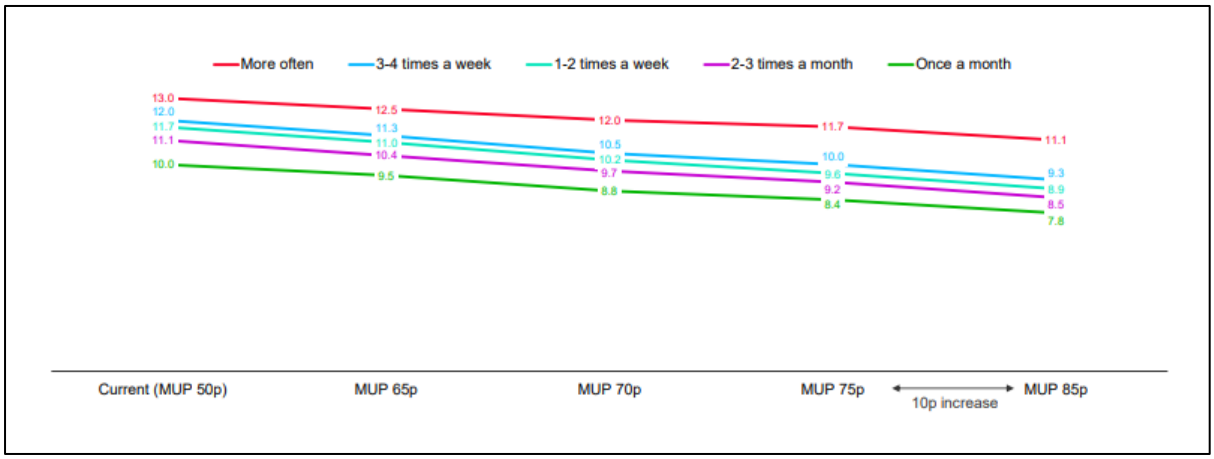

Figure 4: Average units consumption – drinking frequency, *Kantar (2023)*

Because higher frequency drinkers are less responsive to price changes when it comes to reducing units consumed or ceasing consumption all together, there is concern that problem drinkers will shift their habits to consuming higher-strength, higher-volume products to attempt to mitigate the impact of MUP on their budgets.

Further, as evidenced the highest frequency purchasers are least impacted by any increase in price. This has the potential to lead to increased alcohol spend, whilst reducing the amount of money available to spend on other essential items such as food. There is some evidence to show that has already occurred, as evidenced by the MUP evaluation particularly amongst the highest frequency drinkers and those dependent on alcohol. As highlighted in the study by Kospasker et al (2022), there was a significant larger decrease in food spend in Scotland following the introduction of MUP, "*Mean food spending fell by almost £2 per week in Scotland*

compared to just over £1 per week in the north of England. The mean volume of food purchased fell by 280g per week in Scotland compared to only 28g per week in the north of England."[12]

Larger impact on lower strength products in comparison to higher strength products

Encouraging the consumption of lower ABV products over higher ABV products is internationally recognised as a positive way of reducing alcohol related health harms, as highlighted by the World Health Organisation (WHOA).

> *"One study in a systematic review found that household purchase data demonstrated that when substitution took place, it was associated with a reduced purchase of grams of alcohol overall. In addition, ...the review found that no-alcohol beers and wines are beneficial for health compared to higher strength alcohol products."* WHO, *A public health perspective on zero- and low-alcohol beverages, page 3* (2023)

This is also highlighted by the WHO in its recent 2022-2030 Alcohol Action Plan, which calls on alcohol producers to substitute full strength products in their portfolios with lower and no alcohol products, "*with the goal of decreasing the overall levels of alcohol consumption in populations and consumer groups*"[13].

The UK government also shifted to a method of taxation that encourages the general public to shift toward lower ABV products through the Alcohol Duty Review. This move was one of their core aims with revaluating the taxation system:

A progressive (alcohol duty) system encourages innovation at lower ABVs and is better aligned to public health goals than a flat rate system.[14]

However, there is evidence of MUP encouraging the purchase of certain higher strength products. This is highlighted through the 9.4% increase in market share of wine products amongst the heaviest alcohol shoppers in Scotland, in comparison to only a 1.1% increase in rUK) since MUP was introduced.

[12] The effects of minimum unit pricing for alcohol on food purchases: Evaluaiton of a natural experiment, Kopasker et al, (2022), https://www.sciencedirect.com/science/article/pii/S2352827322001537

[13] World Health Organisation Global Alcohol Action Plan 2022–2030 (2022)

[14] The new alcohol duty system: Final consultation response, March 2023. HM Treasury / HM Revenue & Customs (assets.publishing.service.gov.uk)

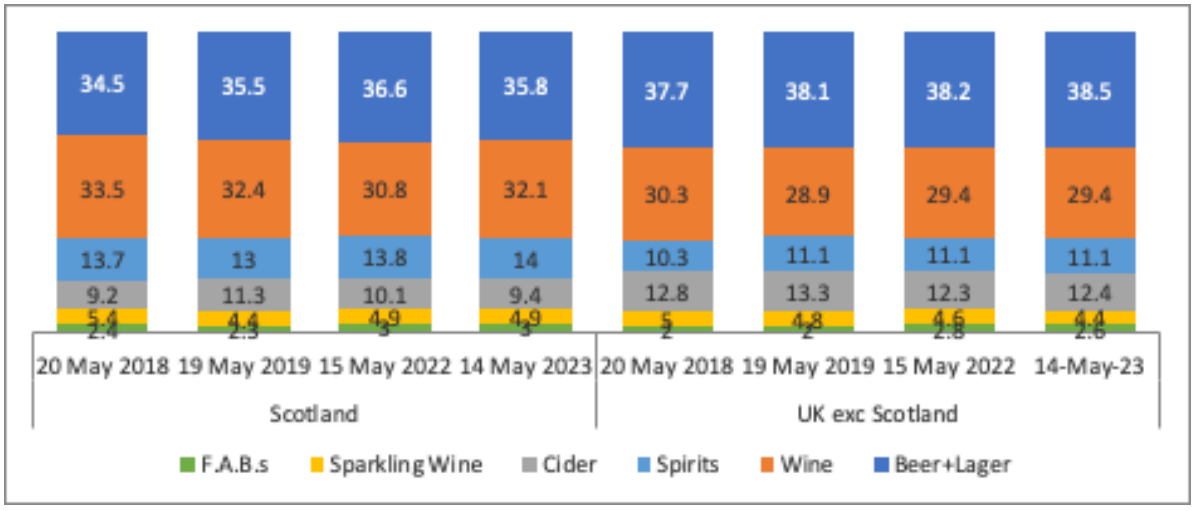

Figure 5: Total BWS | Medium Shoppers repertoire | Volume % |Kantar Purchase Panel | 52 w/e 14 May 23

Given there is the possibility that the heaviest drinkers switch their consumption to higher-strength products in the face of MUP it is concerning that the issue of product switching has been largely ignored by the studies and evaluation of MUP so far and it is our recommendation that this is further investigated before amendments to the policy are made.

The evaluation did highlight concerns around the consumption of higher strength products amongst the heaviest drinkers, the Sheffield Alcohol Research Group noting:

> "*There is some evidence that MUP led people drinking at harmful levels to switch from consuming strong ciders to spirits, and particularly vodka, in response to these price increases*." [pg. 21]
>
> "*Others noted that MUP would reduce the price gap between the cheapest types of alcohol and spirits or premium brands. This introduced the possibility of 'trading up' to preferred drinks, such as vodka, and away from high-strength ciders that were purchased mostly for their effect and cheapness*." [pg. 85]

In a study completed by Kantar of 2,000 Scottish consumers (2023) amongst those who purchase beer found that any flat increase in MUP will disproportionately impact on lower strength products, further incentivising the purchase of higher strength products. This is counter to the stated aims of MUP, as acknowledged in the BRIA (page 66) where it states:

> *MUP is aimed at impacting low cost, high strength products. Under duty increases, all alcohol is impacted*

This also fails to recognise the differentiation within the new duty regime, which broadly taxes alcohol products in reference to their alcohol content and

differentiates between lower ABV products such as beer, and higher ABV products which are taxed at a higher rate. Consumption characteristics are also not taken into consideration with MUP as it currently stands.

Figures 6-8 below show impact of increase to MUP on different categories (beer & cider, wine, & spirits):

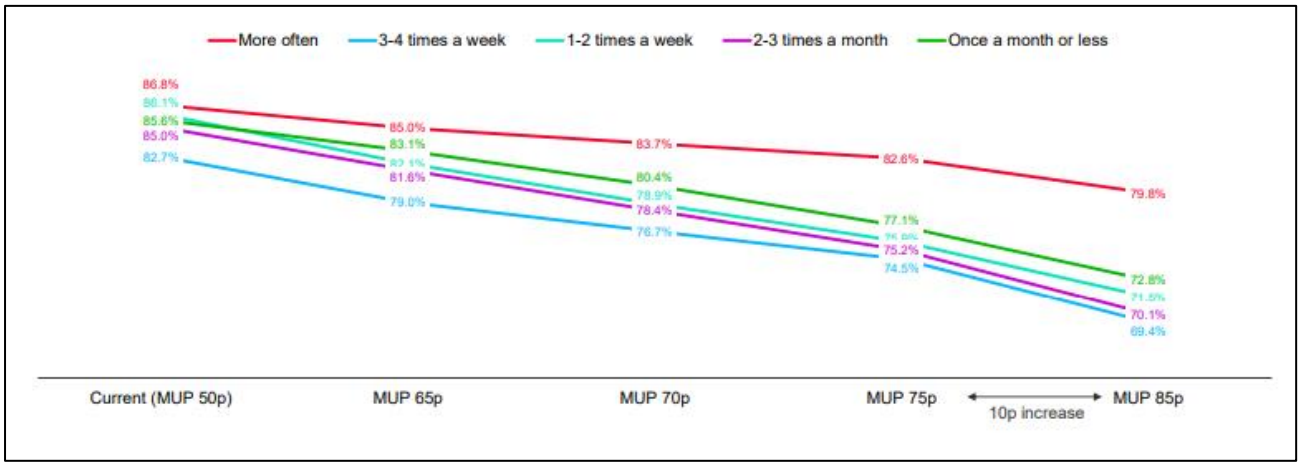

Figure 6: Drinking Frequency: Beer and Cider, *Kantar (2023)*

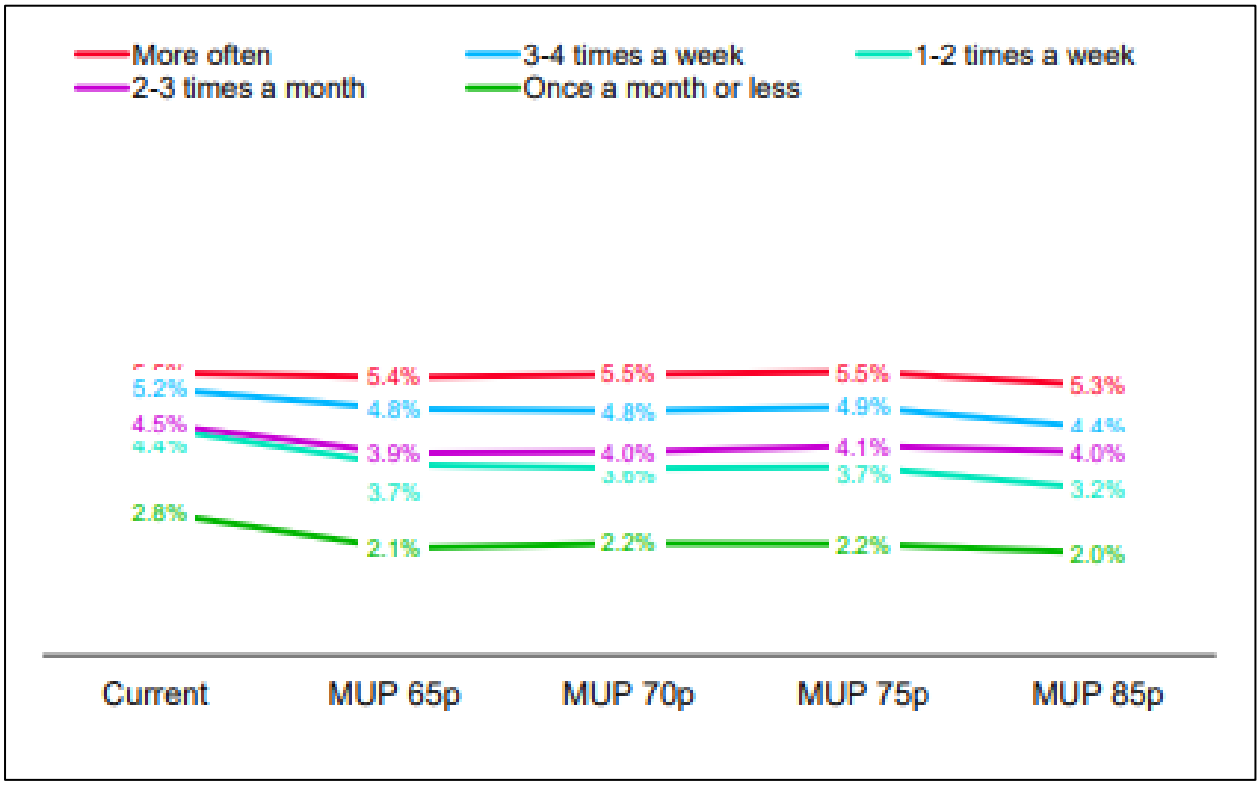

Figure 7: Drinking Frequency: Spirits, *Kantar (2023)*

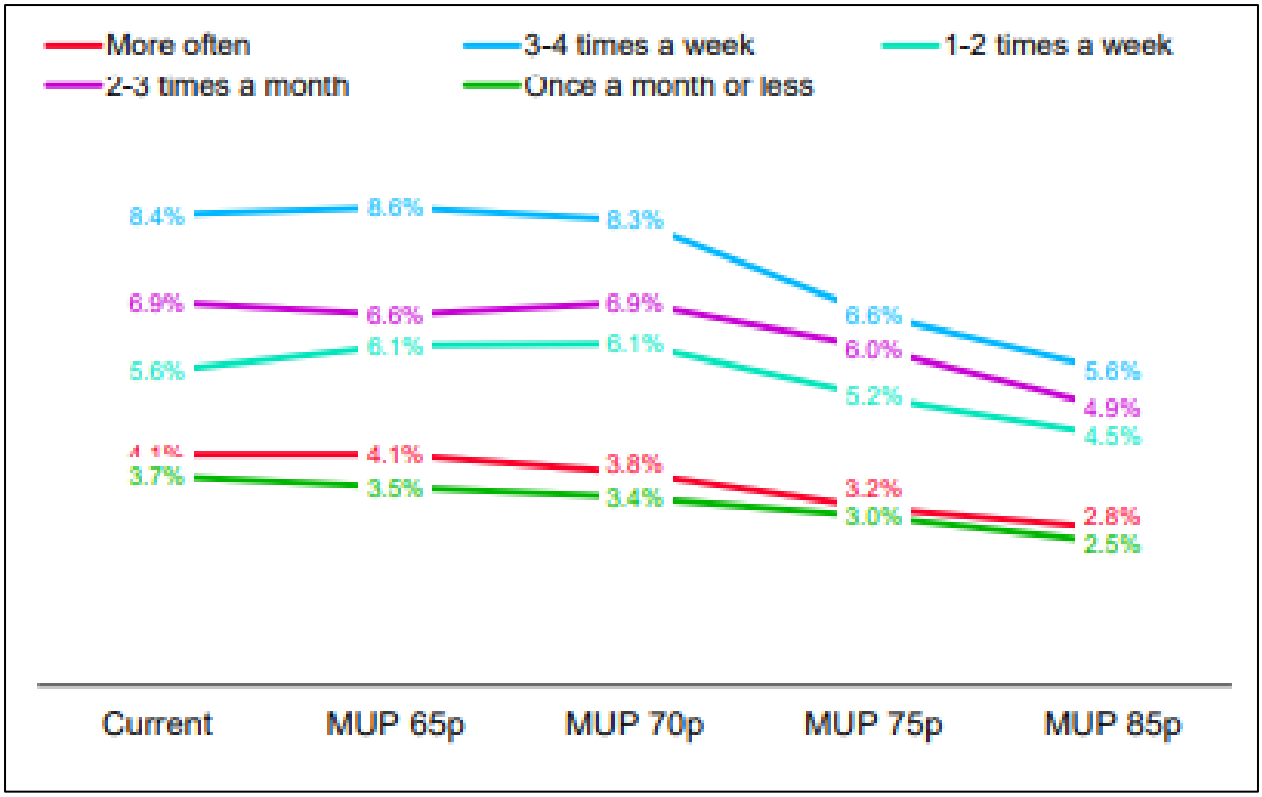

Figure 8: Drinking Frequency: Wine, *Kantar (2023)*

As shown, whilst the modelling indicates the impact of an increase to 65 pence per unit (ppu) will reduce consumption of beer and cider, the impact on spirits is negligible and will increase the purchase/consumption of wine products. The data also highlights how the inflection point (where consumption dips) varies wildly by product type. For lower ABV products, an increase above 50ppu sees an immediate drop-off. However, for wine the inflection point is only evident once MUP reaches 75ppu, with some increases below that point and for spirits there is no distinguishable impact all the way up to 85ppu.

Interaction with Deposit Return Scheme (DRS) compounds impact on lower strength products

The introduction of a deposit return scheme (DRS) in October 2025, alongside the continuation of a flat-rated MUP will further encourage the consumption of higher ABV products over lower ABV products. This occurs as the flat-rated nature of MUP, combined with a flat deposit per container (regardless of size and alcohol strength) will distort the price paid by consumer, encouraging the purchase and consumption of higher strength, higher volume drinks over lower strength, multi-pack alternatives, such as beer. This would be further exacerbated with the exclusion of glass from DRS and any increase in a flat-rated MUP. It is critical that any revaluation of price of MUP takes into account the upcoming implementation of DRS.

Table 1 below outlines the current minimum price a consumer could buy a range of alcohol products with the policy of MUP at 50ppu and shows the new price the

consumer will pay at the checkout with the inclusion of the 20 pence deposit, as part of DRS.

Table 1:

MUP @ 50ppu Product	ABV	Units	**Current Minimum Price (50ppu)**	**New Minimum Price (50ppu + DRS)**	**Percentage Increase**	**New Price Per Unit at till**
Beer 440ml ALU	4%	1.8	**£0.88**	**£1.08**	**22.7%**	**60p**
Beer Multipack (4x330ml) Glass	4%	5.3	**£2.64**	**£2.64**	**0%**	**50p**
Cider 2 Litre Plastic	5%	10	**£5.00**	**£5.20**	**4%**	**52p**
Wine 750ml Glass	14%	10.5	**£5.25**	**£5.25**	**0%**	**50p**
Beer Multipack (10x440ml) ALU	4%	17.6	**£8.80**	**£10.80**	**22.7%**	**61p**
Vodka 700ml Glass	37.5%	26.3	**£13.13**	**£13.13**	**0%**	**50p**
Beer Multipack (20x330ml) ALU	4%	26.4	**£13.20**	**£17.20**	**30.3%**	**65p**
Beer Multipack (16x440ml) ALU	4%	28.2	**£14.08**	**£17.28**	**22.7%**	**61p**

With the introduction of DRS and maintenance of 50ppu, a bottle of vodka would remain available at £13.13, in comparison a multipack of beer (20x330ml/ALU), while containing roughly the same amount of alcohol, would increase by £4.00 to £17.20 (+30.3% increase). This equates to a ppu at the checkout of 65p.

As shown in Table 2, the impact becomes even more pronounced with an increase in MUP to 65ppu. The multipack of beer (20x330ml/ALU) would increase to £21.16, a 60.2% increase from the current price (50ppu and no DRS). The bottle of vodka would only increase by 30.2% to £17.09. While higher strength products sold in glass containers do increase in line with MUP, the differential in price created by the deposit return scheme means higher strength, higher volume containers become cheaper at the point of purchase in comparison.

Table 2:

MUP @ 65ppu Product	ABV	Units	**Minimum Price (65ppu)**	**New Minimum Price (65ppu + DRS)**	**Percentage Increase from 50ppu**	**New Price Per Unit at till**
Beer 440ml ALU	4%	1.8	**£1.17**	**£1.37**	**55.7%**	**76p**
Beer Multipack (4x330ml) Glass	4%	5.3	**£3.43**	**£3.43**	**29.9%**	**65p**
Cider 2 Litre Plastic	5%	10	**£6.50**	**£6.70**	**34%**	**67p**
Wine 750ml Glass	14%	10.5	**£6.82**	**£6.82**	**29.9%**	**65p**
Beer Multipack (10x440ml) ALU	4%	17.6	**£11.44**	**£13.44**	**52.7%**	**76p**
Vodka 700ml Glass	37.5%	26.3	**£17.09**	**£17.09**	**30.2%**	**65p**
Beer Multipack (20x330ml) ALU	4%	26.4	**£17.16**	**£21.16**	**60.3%**	**80p**
Beer Multipack (16x440ml) ALU	4%	28.2	**£18.33**	**£21.53**	**52.9%**	**76p**

Similarly, Table 3 below shows the impact of an MUP set at 80ppu. Lower ABV products, such as beer would increase by as much as 90.3% from current levels while higher strength products increase at a much lower rate. This creates an increased price per unit for the consumer at the point of purchase, reaching as high as 97p per unit (20x330ml/ALU) for 4% beer.

Table 3:

MUP @ 80p Product	ABV	Units	**Minimum Price (80ppu)**	**New Minimum Price (80ppu + DRS)**	**Percentage Increase from 50ppu**	**New Price Per Unit at till**
Beer 440ml ALU	4%	1.8	**£1.41**	**£1.61**	**83%**	**89p**
Beer Multipack (4x330ml) Glass	4%	5.3	**£4.22**	**£4.22**	**59.8%**	**80p**
Cider 2 Litre Plastic	5%	10	**£8.00**	**£8.70**	**74%**	**87p**
Wine 750ml Glass	14%	10.5	**£8.40**	**£8.40**	**60%**	**80p**
Beer Multipack (10x440ml) ALU	4%	17.6	**£14.08**	**£16.08**	**82.7%**	**91p**

Vodka 700ml Glass	37.5%	26.3	**£21.00**	**£21.00**	**59.9%**	**80p**
Beer Multipack (20x330ml) ALU	4%	26.4	**£21.12**	**£25.12**	**90.3%**	**97p**
Beer Multipack (16x440ml) ALU	4%	28.2	**£22.53**	**£25.73**	**82.7%**	**91p**

The new differential in price makes it more attractive for consumers to switch from lower-strength, lower-volume products to higher-strength, higher-volume products. This will most likely occur with low-income consumers and those with alcohol dependency and abuse issues, fundamentally undermining the policy of MUP. These trends were evident in market research conducted by Kantar, as referenced previously.

We acknowledge that the deposit is returnable, as it is set at a level to motivate a change in behaviour and the potential for losing the deposit is judged to be motivation enough to return the container. However, the reality is a proportion of consumers will not return the containers and bear the higher cost. Others will inevitably consider reducing the initial impact of the deposit by purchasing higher strength products – this is a clear motivational factor which will impact on consumer choice. With the current cost of living crisis, this is likely to be magnified as household budgets across the country are reduced. For consumers that do not or cannot return the containers, the deposit is in effect a price increase.

A further factor will be that each container within a DRS scheme with bear an additional producer fee, which is not redeemable. This will have a greater bearing on overall price on single-serve dilute beverages such as beer and cider typically sold in smaller containers, so again skewing purchasing and consumption towards higher-strength products.

To negate these impacts at least partially, maintaining 50ppu across lower strength categories would reduce any additional motivation for purchasing higher-strength, higher-volume products.

Table 4:

MUP @ 50ppu for lower strength products, 65ppu for higher strength	ABV	Units	**Minimum Price (50ppu low abv/65ppu high abv)**	**New Minimum Price (including DRS)**	**Percentage Increase from 50ppu**	**New Price Per Unit at till**
Beer 440ml ALU **50ppu**	4%	1.8	**£0.88**	**£1.08**	**22.7%**	**60p**

Beer Multipack (4x330ml) Glass **50ppu**	4%	5.3	**£2.64**	**£2.64**	**0%**	**50p**
Cider 2 Litre Plastic **50ppu**	5%	10	**£5.00**	**£5.20**	**4%**	**52p**
Wine 750ml Glass **65ppu**	14%	10.5	**£6.82**	**£6.82**	**29.9%**	**65p**
Beer Multipack (10x440ml) ALU **50ppu**	4%	17.6	**£8.80**	**£10.80**	**22.7%**	**61p**
Vodka 700ml Glass **65ppu**	37.5%	26.3	**£17.09**	**£17.09**	**30.2%**	**65p**
Beer Multipack (20x330ml) ALU **50ppu**	4%	26.4	**£13.20**	**£17.20**	**30.3%**	**65p**
Beer Multipack (16x440ml) ALU **50ppu**	4%	28.2	**£14.08**	**£17.28**	**22.7%**	**61p**

Figures 9– 11: Category level impact of MUP + DRS on purchasing frequencies

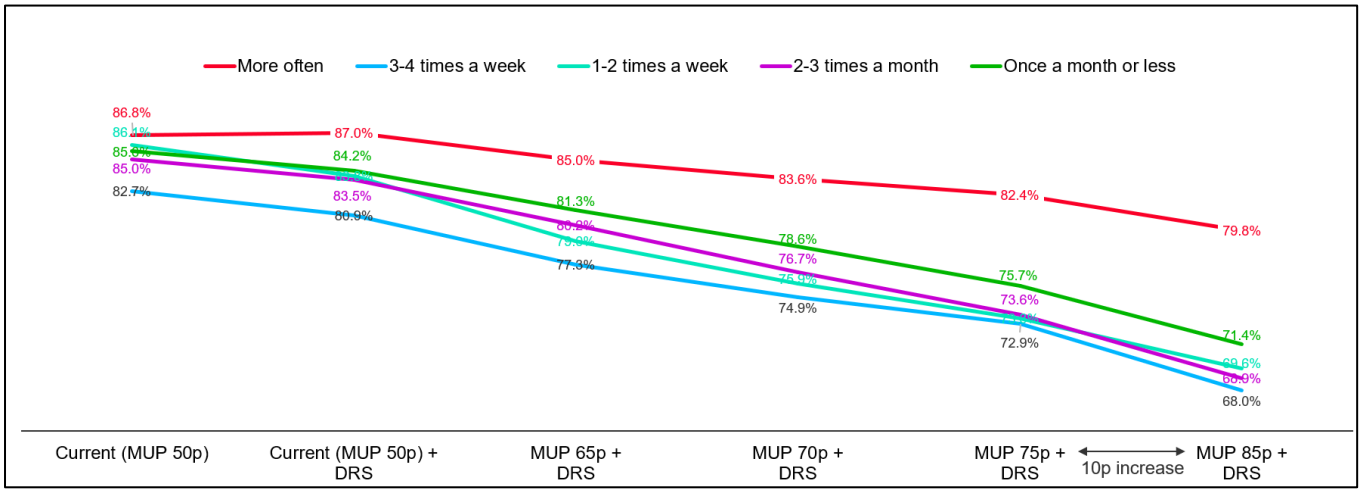

Figure 9: Drinking frequency selection **beer & cider** – MUP + DRS (not including glass), Kantar (2023)

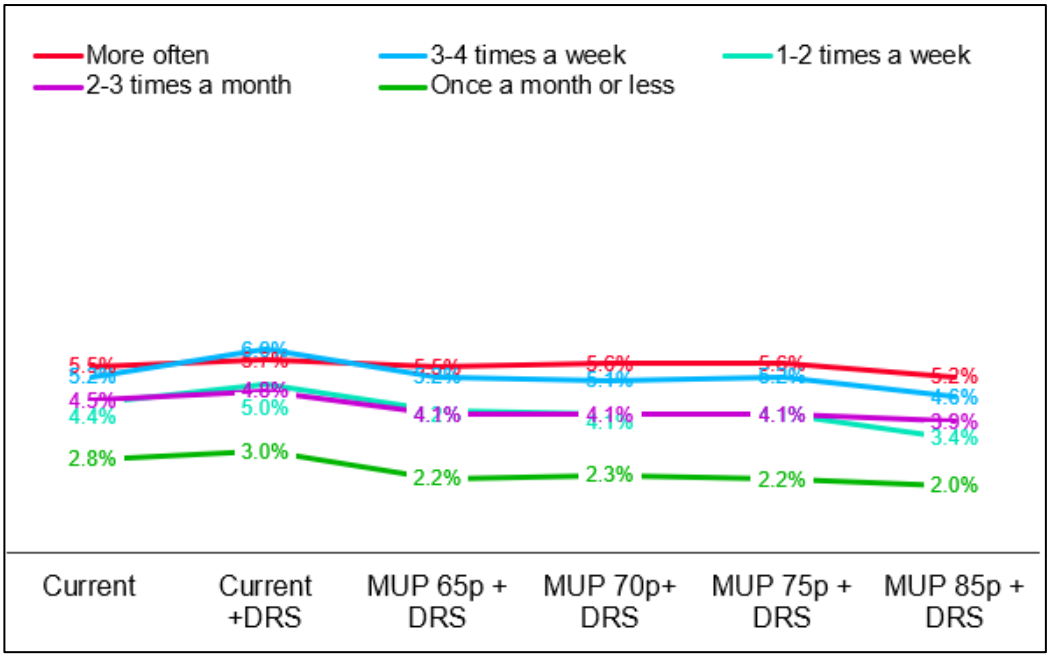

Figure 10: Drinking frequency selection **wine** – MUP + DRS (not including glass), *Kantar (2023)*

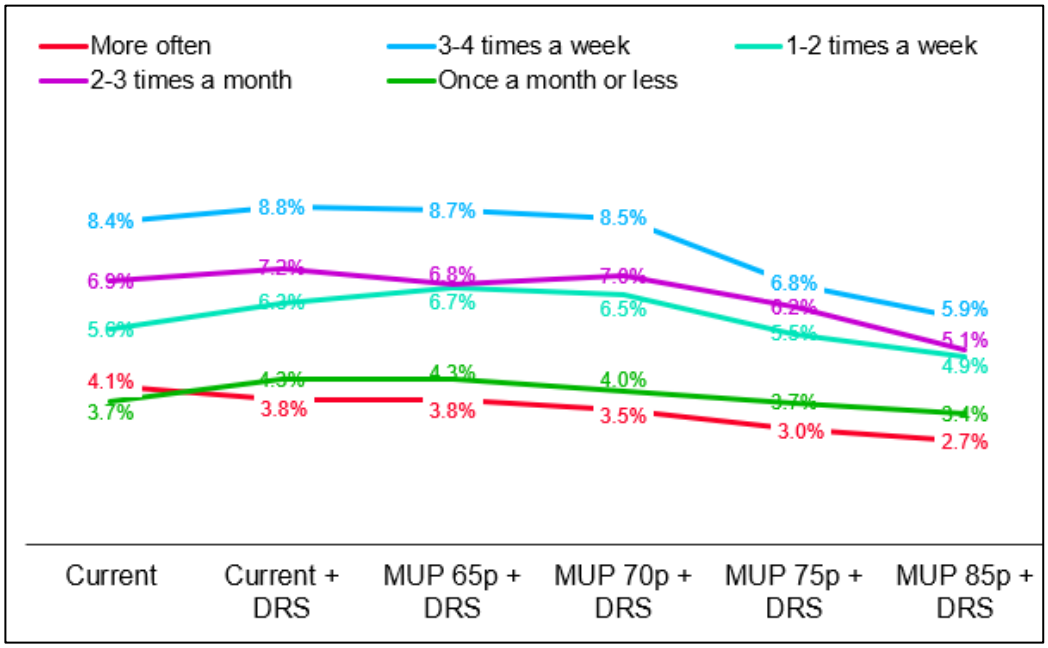

Figure 11: Drinking frequency selection **spirits** – MUP + DRS (not including glass), *Kantar (2023)*

The impact of DRS on beer and cider purchasing

Figure 12 isolates the impact of DRS alone on consumer purchasing decisions, by category. The only categories to see an increase in purchasing are those of inherently higher ABV – primarily housed in glass bottles.

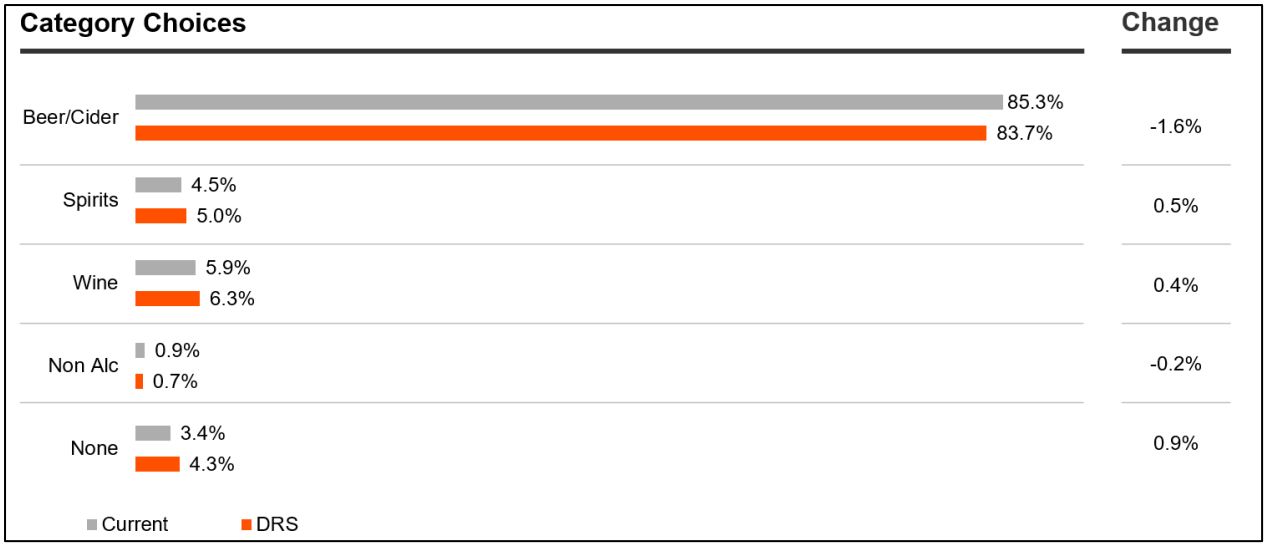

Figure 12: Impact of DRS alone on category choices (n = 2,000), *Kantar (2023)*

The introduction of DRS and its negative impact on lower ABV products is further exacerbated by how consumers perceive the deposit. As highlighted below, Kantar studies find that only 53% will return all their containers, with around one third (32%) electing to continuing with their current method of disposal (kerbside/recycling facility/landfill) and a further 17% only seeking to return *some containers*. For these consumers, the deposit will be treated as a non-refundable price increase, which undercuts the principle of minimum price per unit, as the minimum price of lower strength products increases more substantially than higher strength products due to their packaging.

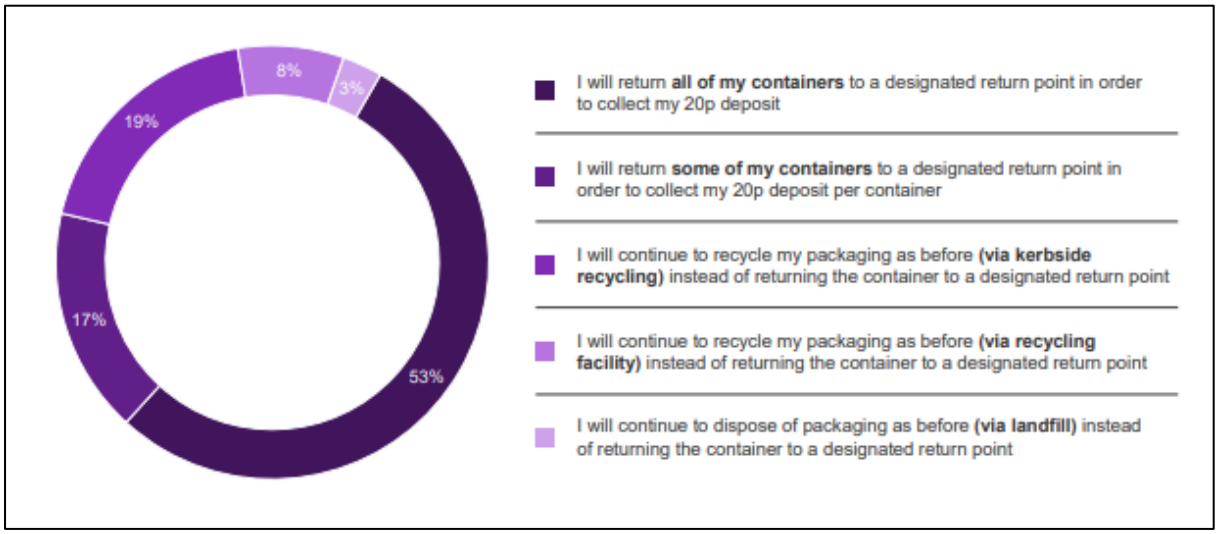
8%
3%
19%
17%
53%
I will return **all of my containers** to a designated return point in order to collect my 20p deposit
I will return **some of my containers** to a designated return point in order to collect my 20p deposit per container
I will continue to recycle my packaging as before **(via kerbside recycling)** instead of returning the container to a designated return point
I will continue to recycle my packaging as before **(via recycling facility)** instead of returning the container to a designated return point
I will continue to dispose of packaging as before **(via landfill)** instead of returning the container to a designated return point

Figure 13: "Q: Which of the following will best describe your behaviour after the introduction of the deposit return scheme?" (n=2,000) *Kantar (2023)*

This is also highlighted in the Kantar study, with a flat MUP at 65p decreasing the market share of lower strength products by 3.3%, while having a negligible impact on higher strength products (0.5% decrease in spirits, and 0.1% increase for wine). However, consumer research suggests that maintaining lower strength products at 50ppu would influence choices and reduce market share for higher strength

products (1.4% for spirits and 1.5% for wine), while shifting consumers towards lower strength products.

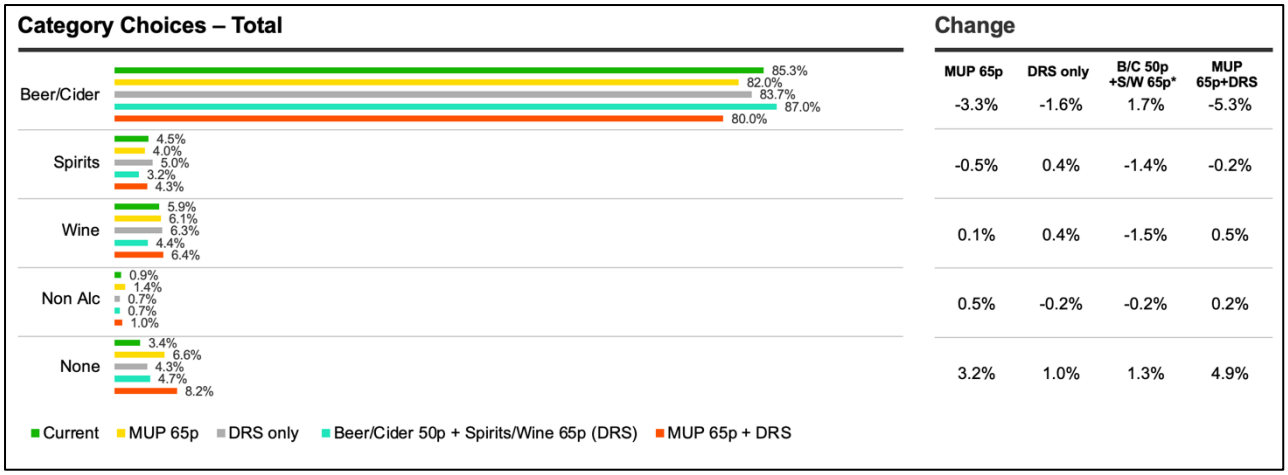

Figure 14: Category choices based on all respondents, n=2,000, *Kantar (2023)*

Amongst lower income consumers, the effects of maintaining lower strength products at 50ppu are amplified, with decreases of 1.7% of market share in both wine and spirits.

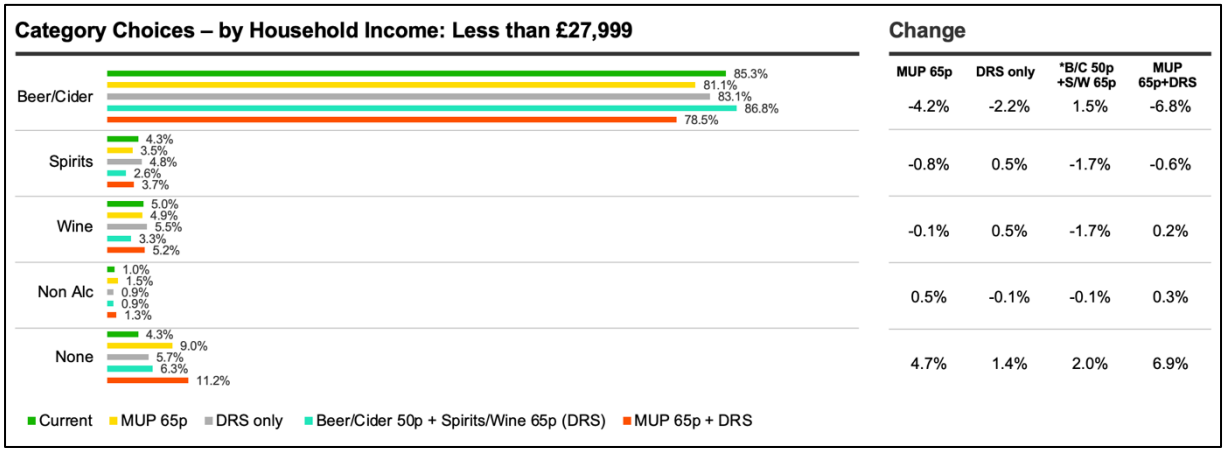

Figure 15: Category Choices, based on respondents with income less than £27,999 (n=556), *Kantar (2023)*

Recommendations

1. The current evidence-base does not provide any certainty than MUP is an effective and proportionate policy tool to reducing alcohol-related harms. **If** MUP is to continue, beer – as a lower-strength product – should be maintained at 50ppu. This will help avoid a situation where the heaviest drinkers are influenced into switching towards higher-strength ABV products, which is contrary to an approach seeking to reduce risks of certain alcohol health harms.

2. If it is to continue with MUP, we urge the Scottish Government to commit to another round of evaluation, through MESAS, which continues to assess the impact of MUP on achieving its aims but also specifically the impacts of any switching between product categories among consumers.

3. The impact of Deposit Return Scheme has been prematurely dismissed by officials and further understanding of the consumer impacts and interaction between the policy and MUP is required.

Conclusion

There is extremely limited evidence of MUP achieving the stated health aims of the policy, with the one study showing a positive impact easily unpicked with some analysis. Any further flat increase to MUP above 50p will have a more severe impact on lower strength products (beer) than higher strength products, encouraging the consumption of these higher strength products and likely increasing the overall consumption of alcohol. This is especially true for higher frequency drinkers and those on lower incomes. The introduction of a Deposit Return Scheme (scheduled for October 2025) will further compound this impact with the nature of lower alcohol products (smaller container sizes in multipacks). The Scottish Government must look at mitigating against this, by not increasing lower strength products beyond 50ppu.